

**UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF MICHIGAN**

In re:

CHHATRALA GRAND RAPIDS, LLC, et  
al.,<sup>1</sup>

Debtors.

Chapter 11

Case No. 19-03908-jtg  
(Jointly Administered)

Honorable John T. Gregg

**APPLICATION OF GORDON FOOD SERVICE INC. FOR ALLOWANCE AND  
PAYMENT OF ADMINISTRATIVE PRIORITY CLAIM**

Gordon Food Service Inc. (“GFS”), by its undersigned counsel, hereby submits the following Application for Allowance and Payment of Administrative Priority Claim pursuant to 11 U.S.C. § 503(b)(9) (the “Application”). In support of it Application, GFS respectfully states as follows:

1. On September 16, 2019 (the “Petition Date”), Debtor Chhatrala Grand Rapids, LLC (the “Debtor”) filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 §§ 101, *et seq.* (the “Bankruptcy Code”). The Debtor is currently operating as a debtor-in-possession.

2. Before the Petition Date, GFS provided and shipped to the Debtor certain products on two separate accounts pursuant to an agreement executed by Debtor on March 10, 2017 (the “Agreement”), a copy of which is attached hereto as **Exhibit A**.

3. The Debtor received \$15,896.56 worth of goods on the account ending in 9678 and \$1,081.68 worth of goods on the account ending in 6934 within the 20 day period before the petition date (the “20-Day Goods”). Accordingly, GFS is entitled to an administrative priority claim of \$16,978.24 pursuant to 11 U.S.C. § 503(b)(9).

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<sup>1</sup> The Debtors in these jointly administered proceedings are Chhatrala Grand Rapids, LLC, Case No. 19-03908, and Bhogal Enterprises, LLC, Case No. 19-03909.

4. With this Application, GFS seeks an Order from the Court allowing GFS an administrative claim against the Debtor for the value of the 20-Day Goods delivered to it in the amount of \$16,978.24 (the “503(b)(9) Claim”). Summaries of the invoices for the goods received by Debtor on each account are attached hereto as **Exhibit B**. The invoices are attached hereto as **Exhibit C**.

5. Section 503(b)(9) of the Bankruptcy Code states “after notice and a hearing, there shall be allowed administrative expenses” for “the value of any goods received by the debtor within 20 days before the date of commencement of a case under this title in which the goods have been sold to the debtor in the ordinary course of such debtor’s business.” 11 U.S.C. § 503(b)(9).

6. GFS sold the 20-Day Goods to the Debtor, and the Debtor received the 20-Day Goods, within 20 days of the Petition Date. The 20-Day Goods were sold to the Debtor in the ordinary course of the Debtor’s business. GFS has not received payment for the 20-Day Goods. Accordingly, pursuant to section 503(b)(9), GFS is entitled to an administrative claim for the value of the 20-Day Goods provided to the Debtor.

7. As an administrative claim, the 503(b)(9) Claim is entitled to priority in any distribution from assets of the Debtor’s estates. 11 U.S.C. § 507(a)(2). This priority is secondary only to domestic support claims. 11 U.S.C. § 507(a)(1). The 503(b)(9) Claim must be paid in full in cash in order for the Court to confirm any plan of reorganization. 11 U.S.C. § 1129(a)(9)(A).

8. This Application is made without prejudice to, and GFS reserves, all other rights, claims, demands, and remedies available to GFS, at law or in equity. In addition, GFS reserves the right to seek payment of further amounts under section 503(b)(9) if it later discovers

information that additional goods were received by the Debtor within 20 days of the Petition Date.

**WHEREFORE**, having satisfied the requirements of section 503(b)(9), GFS requests that this Court enter an order: (1) allowing the 503(b)(9) Claim; (2) directing that distributions on the 503(b)(9) Claim be made at the earliest date and at the same percentage as any other allowed administrative claims of equal priority against the Debtor's estate; and (3) for such other and further relief as this Court deems just and proper.

Dated: January 27, 2020

Respectfully submitted,

/s/ Jason M. Torf

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